THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI MAHABIR PRASAD): (a) and (b) At present it is not feasible to accept ISO container traffic from Kandla Port to Inland Container, Depot, Delhi on account of inadequate capacity. The proposal will be considered when the new Inland Container Depot is commissioned at Tughlakabad.

(c) At present Bombay Port is linked to Delhi and Ludhiana; Madras Port to Bangalore, Coimbatore, Guntur and Anaparti; Haldia Port to Guwahati and Cochin Port to Bangalore and Coimbatore ICDs. Linkage of other ICDs with Ports will be considered as and when ICD facilities are developed.

Losses Suffered by the Shipyards

1488. SHRI RAOOF VALIULLAH: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether it is a fact that various shipyards in the country are suffering huge losses; if so, what are those shipyards and what are their accumulated losses and the resons therefor;

(b) what is the basis of the price fixation by Government of the indigenously built ships and whether adequate subsidy is extended to bridge the cost price gap; if so, what are the details thereof;

(c) whether it is also a fact that the debt servicing charges have put heavy financial burden on Cochin shipyard Ltd., if so, what is the present interest burden, per annum, an the rate of interest; and

(d) whether Cochin Shipyard Ltd has represented to Government for financial assistance; if so, what are these proposals and whether they are being considered by Government?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : (a) Yes, Sir. Except Goa Shipyard Ltd., all the Public Sector shipyards under Government of India have accumulated losses. The details of the accumulated losses, as on 31-3-88, are as follows:—

(Rs. in crores)

S.No.	Name of the shipyard	Accumulated losses	
1.	Hindustan Shipyard Ltd., Visakhapatnam	147.23	
2.	Cochin Shipyard Ltd., Cochin	91.05	X'
3.	Hoogly Dock & Port Engineers Ltd., Calcutta	10.06	

'X' (These shipyards are under the administrative control of Ministry of Surface Transport).

4.	Mazagon Dock Ltd., Bombay.	95.56	'X'
5.	Garden Reach Shipbuilders & Engineers Ltd., Calcutta	99.49	

'X' (These shipyards are under the administrative control of Ministry of Defence).

The main reasons for the losses are :

(i) The difference between end price of indigenously built ships and the actual cost of production, as the present pricing formula is related to international parity price and not to the actual cost of production.

(ii) Heavy interest burden on the loan portion of the capital structure of the compay and working capital loans from banks.

(iii) Higher cost of indigenous inputs.

(iv) Longer delivery time due to long lead time required for procurement of

indigenous inputs and relatively lower productivity.

(b) The price of indigenously built ships for civilian use are fixed on the basis of International Parity Price (IPP). This is arrived at by striking the average of the valuations received from reputed foreign ship valuers in three or four leading shipbuilding countries. To this IPP 10% is added for import-substitution, payable by the shipowners. Also Govt. provides to shipyards 20% of IPP as subsidy. The extent of subsidy now made available to the shipyards is inadequate to meet the cost-price gap.

(c) Yes, Sir. The present interest burden which CSL has to bear on loans provided by Government, is aboutRs. 12 crores per annum. The effective rate of interest on various types of loans are as follows :

Rate of effective interest per annum

1.	Loans for construction of Cochin Shipyard Project	4½%
2.	Working capital loans	12.5% to 15%
3.	Ways and means loans	17%
4.	7th Plan loans (loans for developmental schemes)	12.5% to 15%

(d) Yes, Sir. The proposals made by CSL include revision of pricing formula, restructuring of capital base by converting loans into equity, interest holiday and moratorium on all loans upto 31.3.89, reimbursement of cash losses, treating shipbuilding industry, as an export industry, exemption from sales tax etc. These proposals are being considered by Government.

1489. [*Transferred to the* 14*th March*, 1989].

Reconstitution of Board of Directors of ITDC

1490. SHRI V. GOPALSAMY: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether a Managing Director has been appointed in ITDC; if so, when and for how long, stating the terms of his appointment;

(b) whether the Board of Directors of ITDC has been constituted; if so, what are the names of members of the Board and their term; and

(c) if not, what steps are being taken by Government to constitute the said Board ?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND TOURISM (SHRI SHIVRAJ PATIL): (a) A CMD has been appointed in the ITDC *w.e.f.* 31.10.1988 upto July 23, 1990. The terms of his appointment are indicated in statement. (*See* below)

(b) and (c) The Board of Directors of ITDC, as at present, is as under :—

(1) Shri R. K. Lakshman, Chairman-cum-Managing Director.

(2) Shri B. K. Goswami, Director General of Tourism & *ex-officio* Additional Secretary to the Government of India.

(3) Shri S. Krishnamoorthy Joint Secretary, (Finance) Ministry of Civil Aviation & Tourism

* Official Directors.

Appointment of non-official Directors is under process.